

**Worksheet for SAVA discussion on retirement plan design changes (October 30, 2009)**

**HIGHWAY PATROL OFFICERS' RETIREMENT SYSTEM (HPORS)**

Plan includes: All members of the Montana Highway Patrol, including supervisors and assistant supervisors. [19-6-301, MCA]

Funded ratio as of June 30, 2009: 72.3%

Years to amortize unfunded liability: 21.5 years

Social Security coverage: No

Plan Element	Current Design	Proposed
<b>Service/Age Requirements for full (unreduced) normal retirement benefit</b>	20 years service, any age	
Vesting	5 years	
<b>Benefit formula - multiplier</b>	2.5% x HAC x years of service	
Benefit formula - Highest average compensation (HAC)	Highest average compensation = average compensation of the 3 highest consecutive years of service	
<b>Early retirement - benefit actuarially reduced</b>	No	

Post-retirement benefit adjustments	<u>Pre-7/1/97 who did not elect GABA:</u> 2% of base salary of probationary officer  <u>All post-7/1/97 or who elected GABA:</u> 3% after 1 year  <u>Pre-7/1/91:</u> supplemental lump sum to certain eligible recipients, paid from motor vehicle registration fees	
Employee contribution (% of salary)	<u>Pre-7/1/97 not electing GABA:</u> 9% <u>Post-7/1/97 or electing GABA:</u> 9.05%	
Employer contribution (% of payroll)	26.15%	
Other sources (as % of payroll)	General fund: 10.18% \$285,517 in FY09 [19-6-404(2), MCA]	
Other changes SAVA wishes to consider?		

HB 659 requires SAVA to examine changes to elements listed in **bold**